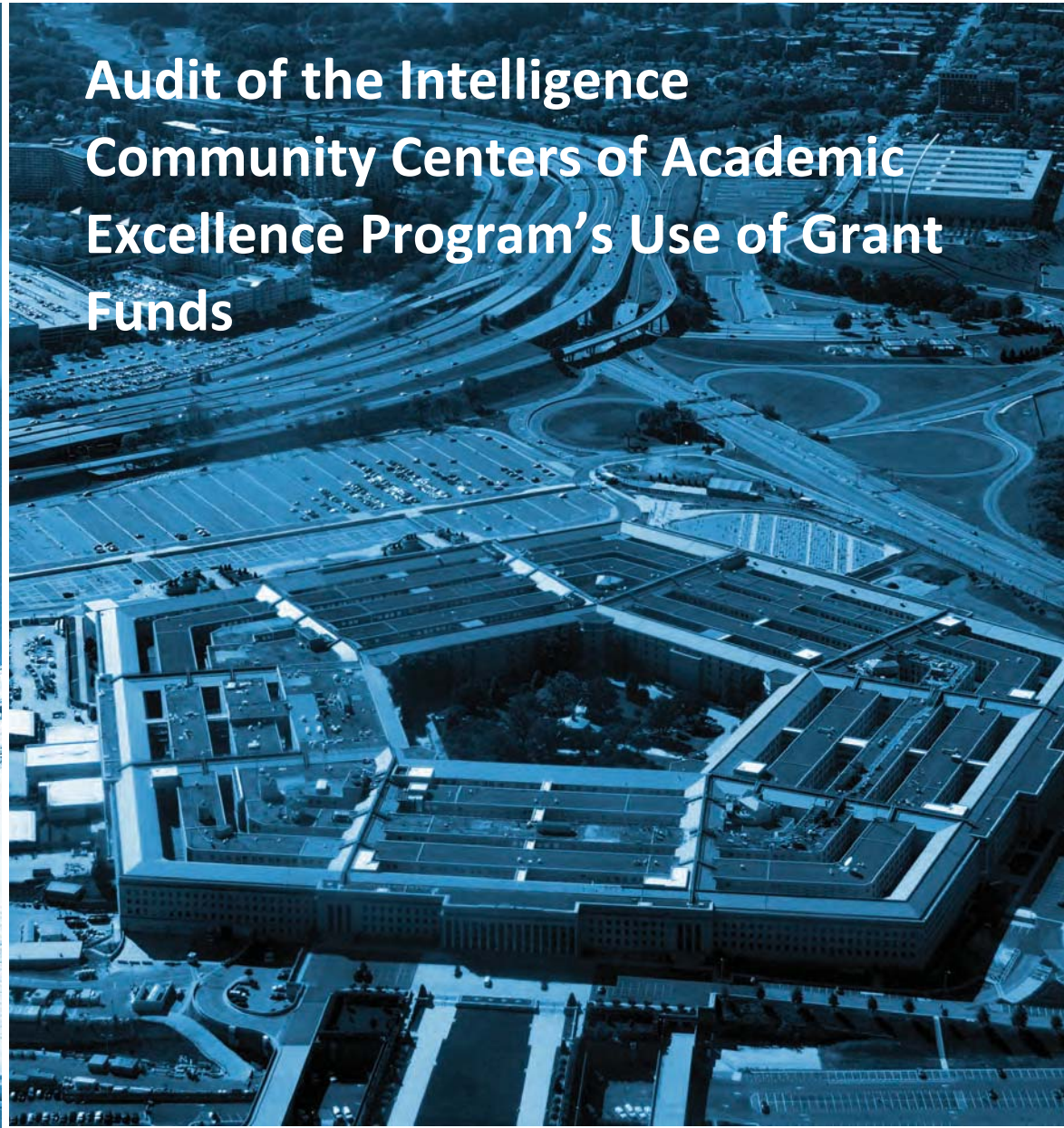




INSPECTOR GENERAL

Department of Defense

October 22, 2013



Audit of the Intelligence Community Centers of Academic Excellence Program's Use of Grant Funds

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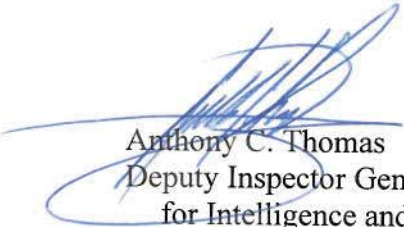
OCT 22 2013

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE
DIRECTOR, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY

SUBJECT: Audit of the Intelligence Community Centers of Academic Excellence Program's Use
of Grant Funds (Report No. DODIG-2014-004)

We are providing this report for your information and use. We preformed this audit in response to a request from the U.S. House of Representatives Appropriations Subcommittee on Defense. No written response to this report was required, and none was received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the staff. Please direct questions to the project manager at (703) 699-5665 (DSN 499-5665).



Anthony C. Thomas
Deputy Inspector General
for Intelligence and Special
Program Assessments

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Results in Brief

Audit of the Intelligence Community Centers of Academic Excellence Program's Use of Grant Funds

October 22, 2013

Executive Summary of Report No. DODIG-2014-004

What We Did

The U.S. House of Representatives Appropriations Subcommittee on Defense requested this review of the defense intelligence community's use of section 2358, title 10 United States Code, to issue recruitment and outreach grants for the Office of the Director of National Intelligence. Subsequent discussions with the subcommittee staff disclosed that their concerns were focused on the Intelligence Community Centers of Academic Excellence program. Therefore, the audit's overall objective was to examine the defense intelligence community's use of grants for the Intelligence Community Centers of Academic Excellence program.

What We Found

We determined that the defense intelligence community's use of grants for the Intelligence Community Centers of Academic Excellence program did not violate applicable appropriations laws. The intelligence community received a significant number of research, development, test, and evaluation deliverables. The Intelligence Community Centers of Academic Excellence program also trained a diverse pool of qualified candidates. We did not conduct an audit of the deliverables or the number of students hired into the intelligence community as a result of the program.

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In 2011, the Director of National Intelligence transferred the Intelligence Community Centers of Academic Excellence program to the Defense Intelligence Agency to leverage the Defense Intelligence Agency's educational infrastructure. In 2012, the Director of National Intelligence authorized the Defense Intelligence Agency to manage the program, pursuant to the section 102(n)(4) of the National Security Act of 1947, section 3024(a), title 50 United States Code. The Director of National Intelligence authorized the Defense Intelligence Agency to exercise the acquisition authority in section 8(a) of the Central Intelligence Agency Act of 1949, section 3510, title 50 United States Code, to provide grants to institutions of higher education to support establishing or the continued development of programs of study in education disciplines that were identified in section 1024 of the National Security Act of 1947, section 3224, title 50 United States Code. The Defense Intelligence Agency issued funds and properly awarded grants to Intelligence Community Centers of Academic Excellence program schools under 441p title 50 United States Code.

The National Geospatial-Intelligence Agency issued a legal opinion in 2006 that determined that section 2358, title 10 United States Code grant authority was appropriately used to administer the Intelligence Community Centers of Academic Excellence program, and confirmed that judgment in a second legal opinion in 2012. In the 2012 legal opinion, the National Geospatial-Intelligence Agency determined that the research projects conducted under the Intelligence Community Centers of Academic Excellence program were of interest to DoD and the intelligence community.

Management Comments

No written response to this report was required, and none was received.

Recommendations Table

Management	Recommendations Requiring Comment
	None

Distribution:

Under Secretary of Defense for Intelligence

Director, Defense Intelligence Agency

Director, National Geospatial-Intelligence Agency

cc: General Counsel of the Department of Defense

Director of National Intelligence

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Objective

The U.S. House of Representatives Appropriations Subcommittee on Defense (Defense Subcommittee) requested this review of the defense intelligence community's use of section 2358, title 10 United States Code (10 U.S.C. § 2358), to issue recruitment and outreach grants for the Office of the Director of National Intelligence (ODNI). Subsequent discussions with the Defense Subcommittee staff disclosed that their concerns were focused on the Intelligence Community Centers of Academic Excellence (IC CAE) program. Therefore, the overall objective was to examine the defense intelligence community's use of grants for the IC CAE program.

Background

Section 319 of Public Law 108-177, "Intelligence Authorization Act for Fiscal Year 2004," December 13, 2003, instructed the Director of Central Intelligence to carry out a pilot project to test and evaluate alternative, innovative methods to promote equality of employment opportunities in the intelligence community (IC) for women, minorities, and individuals with diverse ethnic and cultural backgrounds, skills, language proficiency, and expertise. In response, the Director of Central Intelligence developed a pilot program called the IC CAE.

Section 1011 of Public Law 108-458, "Intelligence Reform and Terrorism Prevention Act of 2004," December 17, 2004, established the Director of National Intelligence (DNI) as the head of the IC to oversee and implement the National Intelligence Program including the oversight and responsibilities of the Director of Central Intelligence's IC CAE program. The ODNI did not have explicit grant authority; therefore, ODNI designated the National Geospatial-Intelligence Agency (NGA) to award and administer research program grants using NGA's 10 U.S.C. § 2358, "Research and Development Projects" grant authority.

Section 313 of Public Law 111-259 "Intelligence Authorization Act for Fiscal Year 2010," October 7, 2010, authorized the DNI to carry out grant programs "to enhance the recruitment and retention of an ethnically and culturally diverse IC workforce with capabilities critical to the national security interests of the United States." That law authorized the IC CAE program and explicitly permitted the DNI to provide grants to institutions of higher education for: (a) curriculum or program development, (b) faculty development, (c) laboratory equipment or improvements, and (d) faculty research.

In 2010, the DNI launched an Intelligence Community Efficiency Studies Initiative that

included examining the ODNI's size, structure, and functions. One recommendation was to consolidate and streamline IC education and training programs by transferring the IC CAE program to the Defense Intelligence Agency (DIA), which occurred on September 29, 2011. This was done to leverage DIA's educational infrastructure. DIA began managing the IC CAE program on October 1, 2011.

Congressional Request

In 2012, ODNI transferred Operation and Maintenance funds to DIA in support of the IC CAE program. DIA's IC CAE Program Management Office worked closely with NGA because NGA had been responsible for grants management under ODNI's administering the program from 2005 to 2011. According to DIA's IC CAE Program Management Office, NGA informed DIA that Operation and Maintenance funding could not be used because the IC CAE grants were research grants that required Research, Development, Test, and Evaluation funding. NGA cited 10 U.S.C. § 2358 as the authority under which DoD could issue research grants. The DIA IC CAE Program Management Office requested a change of the Operation and Maintenance funds received from ODNI to Research, Development, Test, and Evaluation funds. The Defense Subcommittee denied the request, directed DoD to cease issuing awards using 10 U.S.C. § 2358 grant authority, and asked for a review of how the program was administered. Specifically, the Defense Subcommittee questioned using the NGA's 10 U.S.C. § 2358 Research and Development grant authority to carry out a section 441p title 50 United States Code (50 U.S.C. § 441p) program.

Audit Results

We conducted fieldwork at DIA and NGA, and coordinated with the DoD Office of General Counsel. We reviewed the relevant information, including legal opinions, annual program reviews, and memorandums of understanding. We conducted interviews with key training and education personnel within the defense intelligence community, including representatives from the Human Capital Management Office, Office of the Under Secretary of Defense for Intelligence; the Office of Learning and Career Development (DIA); and the Academic Research Program Office (NGA).

Based on our review, the defense intelligence community's use of grants for the IC CAE program did not violate applicable appropriations laws. The IC received a significant number of national security-related Research, Development, Test, and Evaluation deliverables. The IC CAE program developed a diverse pool of qualified candidates that contributed to the program's success by improving the IC's image and visibility. We did not conduct an audit of the specific amounts of information or the number of deliverable

research products that the IC received or students hired into the IC as a result of the program, due to the limited scope of the Defense Subcommittee's request. However, we concur with ODNI's assessment of the IC CAE program as an IC-wide capability that will continue to cultivate partnerships and relationships to support IC core mission requirements and challenges.

National Geospatial-Intelligence Agency

NGA's Office of General Counsel (OGC) issued a legal opinion in 2006 that determined that the NGA appropriately administered the IC CAE program using 10 U.S.C. § 2358, and confirmed that judgment in a second legal opinion in 2012. In the 2012 legal opinion, NGA OGC determined that awarding research grants pursuant to 10 U.S.C. § 2358 was proper because the research projects conducted from 2005 to 2011 under the IC CAE program were of interest to DoD and the IC. In response to the Defense Subcommittee's questioning of the NGA's 10 U.S.C. § 2358 Research and Development grant authority to carry out a 50 U.S.C. § 441p program, NGA OGC stated that the IC CAE program did not conduct recruitment. Individual IC agencies use their own recruitment authorities and hiring processes when recruiting new employees.

ODNI's IC CAE Seventh-Year Program Review for academic terms 2004¹ to 2011 details how the IC CAE program's research projects focus on critical skill sets that the IC requires. In the framework of their individual academic programs, IC CAE institutions conduct national security-related research to support building intellectual capital in interdisciplinary fields of study, including science, technology, engineering, mathematics, regional studies, and foreign languages. Both IC CAE scholars and IC CAE-supported faculty conducted research related to the IC. Examples of research that IC CAE scholars conducted include:

- National Cultural Identity Consciousness and Sensitivity to Ghana's National Security Concerns among a Diverse Sample of Ghanaian Citizens
- Open Source Intelligence on Russian Organized Crime from the Perspective of the National Security Agency
- Open Source Intelligence on Terrorist Affiliations in Afghanistan from a Military Intelligence Perspective
- Power and Leadership from the Perspective of Rwandans

¹ In 2004, the Director of Central Intelligence awarded one grant to one academic institution. Our audit only addressed the IC CAE program grants that the ODNI issued.

- Systems Approach to the Development of a Code of Ethics for a Social Entrepreneurial Telemedicine Venture in Kenya
- The Banking System in Ghana: The Impact of Cyber Security
- US-Mexico: Future Challenges to Border Security -- A Collaborative Research Project
- Yellow Fever: A Possible Weapon for Bioterrorism

Defense Intelligence Agency

On August 27, 2012, a DNI memorandum stated that Congress established the IC CAE program to enhance recruiting and retaining a diverse IC workforce with capabilities critical to U.S. national security interests. DNI, pursuant to section 102(n)(4) of the National Security Act of 1947, section 3024(a), title 50 United States, authorized DIA to use certain authorities to manage the IC CAE program. The DNI memorandum allowed the Director, DIA, to exercise the acquisition authority in section 8(a) of the Central Intelligence Agency Act of 1949, section 3510, title 50 United States Code to provide grants under the IC CAE program to support continued development of programs of study in education disciplines identified in section 1024 of the National Security Act of 1947, section 3224, title 50 United States Code. DIA resumed issuing continuation funding and properly awarding grants to IC CAE schools under 50 U.S.C. § 441p. Since establishing the DIA IC CAE Program Management Office, DIA has dedicated personnel and ancillary resources to expand the IC CAE program's efforts for the IC. See Appendix B for information on DIA's development of the program.

Conclusion

We determined that the defense intelligence community's use of grants for the IC CAE program did not violate applicable appropriations laws. The IC received a significant number of national security-related Research, Development, Test, and Evaluation deliverables. The IC CAE program also developed a diverse pool of qualified candidates. We did not conduct an audit of the specific amounts of information or the number of deliverable research products that the IC received or students hired into the IC as a result of the program. However, we concur with ODNI's assessment of the IC CAE program as an IC-wide capability that will continue to cultivate partnerships and relationships in support of IC core mission requirements and challenges.

Appendix A

Scope and Methodology

We conducted this audit from February through June 2013, in accordance with generally-accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for the conclusions based on our audit objective.

To meet our audit objective, we met with and interviewed representatives from the DIA and NGA, and coordinated with the DoD Office of General Counsel and the DoDIG Office of General Counsel. We gathered and reviewed available program documentation from 2006 through 2012, and applied criteria related to our audit objective.

Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

Prior Coverage

No prior coverage has been conducted on this subject in the past five years.

Appendix B: DIA's Advancement of the IC CAE

DIA has dedicated personnel and ancillary resources to developing a successful and respected program for the IC since DIA was appointed as the lead for the IC CAE program in October 2011. The DIA's IC CAE Program Office has built on the previous successes of the ODNI IC CAE Program Office and worked to expand the program's efforts that included:

- Transforming the IC CAE Program's Senior Advisory Board structure into an organization comprised of senior representatives from the majority of all intelligence agencies, operating under a charter and business rules, which serves to provide policy- and decision-making guidance to the Program Office. The IC CAE Senior Advisory Board reconvened in February 2012 and approved and adopted its Charter, established business rules, and set quarterly meetings. The Charter's purpose was to "provide policy and guidance for the IC CAE program" and to "ensure that participating agencies and groups were represented, in communication, and have a say in policy matters."
- Working in tandem with the many capacities of the other IC agencies, such as their recruitment, student programs, public affairs, equal opportunity, and training functions.
- Providing new professional development opportunities for IC CAE school faculty by holding workshops at the 2012 Annual Meeting, supplying each school with current intelligence books, and offering a critical-thinking workshop to the IC CAE school faculty.
- Establishing varied communication vehicles, such as the quarterly "Impariamo" newsletter, an IC CAE website on Intellipedia-U, and an IC CAE workspace on the Structured Analytic Gateway for Expertise platform that IC CAE school professors, students, and IC professionals can use.
- Having IC professionals give interactive workshops to IC CAE schools on critical thinking, counterterrorism, structured analytic techniques, and asymmetric warfare analysis; as well as holding mock interviews with students.

Acronyms and Abbreviations

DIA	Defense Intelligence Agency
DNI	Director for National Intelligence
IC	Intelligence Community
IC CAE	Intelligence Community Centers of Academic Excellence
NGA	National Geospatial-Intelligence Agency
OGC	Office of General Counsel
ODNI	Office of the Director of National Intelligence



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